

LAW OFFICES  
**ALLEN H. HARRISON, JR.**  
SUITE 706  
2009 NORTH 14<sup>TH</sup> STREET  
ARLINGTON, VIRGINIA 22201

TELEPHONE (703) 524-8309  
FAX (703) 524-3035

RECORDATION NO. 21888-V FILED

OCT 19 '01 1:21 PM

SURFACE TRANSPORTATION BOARD

October/9, 2001

Recordation No. 21888-V

Dear Mr. Williams:

On behalf of BTM Capital Corporation, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Security Agreement Supplement No. 1 ("Supplement") dated as of October 9, 2001 to Amended and Restated Security Agreement dated as of October 9, 2001 recorded with the STB October 9, 2001 under Recordation No. 21888-U.

The parties to the enclosed Supplement are:

BTM Capital Corporation, (as - SECURED PARTY/for indexing  
collateral agent for the Secured Parties) MORTGAGEE  
125 Summer Street  
Boston, MA 02110

Flex Leasing I, LLC - BORROWER/for indexing  
Suite 300 MORTGAGOR  
234 Front Street  
San Francisco, CA 94111

The said Supplement, among other things, grants a security interest by the Borrower to the Secured Party in ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and the leases of the said equipment. The specific units of equipment listed in the instant Supplement are covered therein in Annex A thereof.

The Supplement should be recorded under Recordation No. 21888-V.

The equipment covered by the instant Supplement is ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and the specific units of equipment in the instant Supplement are identified in Annex A to the Supplement (copy attached), namely, 100 coil cars NS170000-170099 and 99 Plate F railcars SRY5350-5377, 5379-5449 and 75 boxcars LW60925-60999.

As short summary of the Supplement to appear in the Surface Transportation Board Index is as follows:

"Covers all equipment now owned or hereafter acquired and the leases thereof. The units of equipment in the instant Supplement are as listed in the Supplement, as follows: 100 coil cars NS170000-170099, 99 rail cars 5350-5377, 5379-5449 and 75 boxcars LW60925-60999."

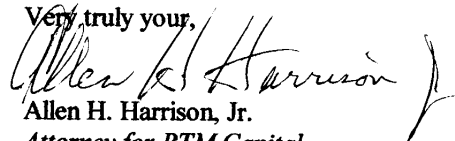
Please enter under this Recordation No. the following cross index reference:

"See Recordation Nos. 21243-J, 21708-G and 21892-E."

Enclosed is a check in the amount of fifty-six dollars (\$56.00), twenty-eight dollars of which is in payment of the filing fee and twenty-eight of which is for the requested cross index reference.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter from the Surface Transportation Board acknowledging the filing and the two extra copies of this letter of transmittal.

Very truly yours,



Allen H. Harrison, Jr.  
*Attorney for BTM Capital  
Corporation, for the purpose  
Of this filing.*

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Enclosures  
Annex A Attached

BY HAND

8212-020

Annex AUnits of Rolling Stock Collateral

DESCRIPTION OF CARS	CAR NUMBERS
One Hundred (100) 110-ton capacity transverse trough coal car; 286,000 lb. gross rail load; specification DT2.0259 Revision C dated August 11, 2000	NS 170000 through 170099 inclusive
Ninety-nine (99) Newly-Built 50'6" inside length Plate F railcars, 107 -- ton capacity, 286,000 lb. gross rail load, single 10' plug doors and 15" end of car cushioning	SRY 5350 through 5377 inclusive SRY 5379 through 5449 inclusive
Seventy-five (75) 60'9" Plate F Boxcars, 286,000 lb. gross rail load, double 8' plug doors with end of car cushioning	LW 60925 through 60999 inclusive

[SUP. No. 1 TO AMENDED AND RESTATED SEC. A6]

NYULSTMOD6521743

## SECURITY AGREEMENT SUPPLEMENT

This SECURITY AGREEMENT SUPPLEMENT NO. 1 (this "Supplement"), dated as of October 19, 2001, to the Amended and Restated Security Agreement, dated as of October 19, 2001 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement"), made by FLEX LEASING I, LLC (the "Borrower") to BTM CAPITAL CORPORATION, as collateral agent (the "Collateral Agent") for the Secured Parties.

A. Reference is made to that certain Second Amended and Restated Loan Agreement, dated as of October 19, 2001, among the Borrower, BTM CAPITAL CORPORATION, as Agent and Loan Underwriter, Victory Receivables Corporation, as a lender, Gotham Funding Corporation, as a lender and the other lenders from time to time party thereto (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement").

B. The Security Agreement was recorded with the Surface Transportation Board on October 19, 2001, under Recordation No. 21888-U, and with the Registrar General of Canada on October    , 2001, at           .

C. The Security Agreement provides for the execution and delivery of one or more supplements thereto substantially in the form hereof, which shall particularly describe the Rolling Stock Collateral included in the property covered by the Security Agreement.

D. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement and the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, as security for the payment or performance, as the case may be, in full of the Secured Obligations, the Borrower hereby confirms and acknowledges the assignment, pledge and grant to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, of a security interest in and lien on, all of the Borrower's right, title and interest in and to the Units of Rolling Stock Collateral described herein.

1. The Units of Rolling Stock Collateral covered by this Supplement are more specifically described on Annex A hereto (which is incorporated herein by this reference) shall be subject to the security interest and lien granted under and on the terms and conditions of the Security Agreement and Loan Agreement.

2. Together with all substitutions or replacements of and additions, improvements, accessories and accumulations to the property above described for which title vests in the Borrower and all property which shall hereafter become attached to or incorporated in the property above described, whether the same are now owned by the Borrower or shall hereafter be acquired by it.

RECORDATION NO. 21888-V FILED

OCT 19 '01 1:21 PM

NY01/STADD/652574.4

SURFACE TRANSPORTATION BOARD

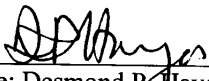
3. This Supplement shall be construed as supplemental to the Security Agreement and shall form a part of it, and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

4. This Supplement is being delivered in the State of New York.

5. This Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Borrower has caused this Supplement to be duly executed by one of its officers, thereunto duly authorized, as of the day and year first above written.

FLEX LEASING I, LLC

  
Name: Desmond P. Hayes  
Title: President

STATE OF CA )  
COUNTY OF SF ) ss:

On this 8<sup>th</sup> day of October, 2001, personally came before me, Desmond P. Hayes, who, being by me duly sworn, says he is President of Flex Leasing I, LLC and that said writing was signed on the date hereof by him on behalf of said company by its authority duly given. The said President acknowledged the execution of the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 8<sup>th</sup> day of October, 2001.

SEAL



  
Notary Public

My Commission Expires: June 28, 2005

**Annex A**

**Units of Rolling Stock Collateral**

DESCRIPTION OF CARS:	CAR NUMBERS:
One Hundred (100) 110-ton capacity transverse trough coil car; 286,000 lb. gross rail load; specification DT2.0259 Revision C dated August 11, 2000	NS 170000 through 170099 inclusive
Ninety-nine (99) Newly-Built 50'6" inside length Plate F railcars, 107 – ton capacity, 286,000 lb. gross rail load, single 10' plug doors and 15" end of car cushioning	SRY 5350 through 5377 inclusive SRY 5379 through 5449 inclusive
Seventy-five (75) 60'9" Plate F Boxcars, 286,000 lb. gross rail load, double 8' plug doors with end of car cushioning	LW 60925 through 60999 inclusive